App. F. IX-4

Previous References

1931-2 (L.M.) File No. 2-31
Serial Nos. 1-2

preserve

Later References
C-S 11-36 (65,97 etc 241)
L.M. 29-33 - (1-5)

General and Revenue Secretariat.

Serial Nos. 154

A-37(E)

Part B for June 32.

SUBJECT:

Amendment to certain bye-laws of the Land-mortgage bank

D 453-S Dt 21-7-32

to

Pl lg.v C. 1 ii Pers Commn

President L.M. Bank

sanction re

12-

General and Revenue Secretariat | File No. | of 193

Serial No.

No 70 17-5 of 31 from the Regr Co.
forwarding amendments to Bye laws 1, 2, 6, 7, 8, 25, 26 & 84 of the L.H. Bank

Sub d for the draft

22/6 The amendments recommended by the Registrar may be approved.

Dft for approval
Ca 9/7

Secy

Is it usual or useful to publish these for public information & scrutiny before final approval?

9.7.31
Ca
9/7

Sub. It is not usual to publish these amendments for public information. As each Society has its own particular bylaws & as they concern only the members of such Societies it does not seem necessary to publish them. Sec. 53 of Regn Act of 1929 requires that amendments to Bylaws of the L.H. Bank requires previous approval of Govt.

9/7/31 It is not necessary to publish these amended bye laws first.
Ca 11/7

Secy

Dft. approved
14.7.
Ca 15/7

H 211
15-7-31

NOTE—Contn. Sheet

Secy. Min. Agri. & Lab.

Dft. approved by Member. 16/7/31
17.7.
Secy
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WD 02553—50,000—GPB—8-7-30

File No. of 193 General and Revenue Secretariat

To the Regr of C.S, the Revs Commrs, and the Presdt. L.M. Board
No 8 458-S 8a/1st. July 1931
Sanctions tai ancedmen
as above

L.M.2-30-1

No. 701.7 e8.
25.3

Telegraphic Address:
"CO-OPERT"
BANGALORE

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Dated, Bangalore, 28 June *1931*.

D.F 176

GEN. & REV. SECRETARIAT.
22 JUN 1931
DEVELOPMENT BRANCH.

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
MYSORE. BANGALORE.

To

N. Madhava Rao, Esq., B.A., B.L.,
Chief Secretary to the Government
of Mysore. Bangalore.

Sir,

In forwarding, herewith, copy of the letter No.148 dated 20th April 1931 together with enclosures, received from the President, Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore, proposing certain amendments to the Byelaws of the Land Mortgage Bank, I have the honour to request that in the light of circumstances explained by the President, approval of Government may kindly be obtained to the amendment of Byelaws Nos. 6, 7 8, 26 and 84 of the Land Mortgage Bank as proposed by the President in the annexed draft.

As regards amendment of Byelaw No.25, however, the President proposes that the full share amount shall be paid within three months from the date of allotment. As such a long period will not materially overcome the difficulty now experienced by the Bank in the collection of share amounts, maintenance of accounts, etc., it is desirable that only one month's time may be allowed for payment of the full value of the shares allotted, from the date of such allotment. The President who was consulted in the matter is agreeable to this change. The Byelaw may therefore be amended as under.

"Byelaw No.25. The members shall, subject to the provisio... contained in Byelaw No.6, pay the full amount of share or shares allotted to them within one month from the date of receipt of intimation of allo ment by them.

Provided however, that in the case of shares allotted prior to 1s July, 1931, the share amounts shall be paid either in one lumpsum or in monthly instalments fixed by the Bank at the time of allotment, default interest being leviable, at the discretion of the Board, at two pies pe rupee or fraction of a rupee per month or part of a month on the amount

amount overdue, up to the date of payment."

I request that early orders of Government may kindly be obtained in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

M H Ramaya
Registrar.

18/6.

Letter No.148 dated 25th April 1931 from the President, The Mysore Co-operative Land Mortgage Bank,Ltd.,Bangalore, to the Registrar of Co-operative Societies in Mysore,Bangalore.

****

I have the honour to state that at present great difficulty is experienced by the Bank in recovering share amounts by instalments. More than half the members are greatly in arrears with their share instalments; and any number of notices and reminders issued to them have produced no effect. The heavy arrears in respect of the share instalments have already come to the notice of Government and they have directed action to be taken for their early recovery. As this state of affairs is bound to continue so long as the instalment system of payment of share amounts is in force, it is proposed to amend the byelaws of the Bank so as to provide for recovery of the share amounts in one lumpsum in respect of all future applications, as is being done by the Central Land Mortgage Bank at Madras.

2. Many of the Bank's members other than intending applicants for loans have taken up shares from philanthrophic motives and not for the sake of the dividend which is limited to a maximum of 5 per cent under the Regulation, and even which may not be held for some years to come in addition to be fair to penalise these persons by levying interest from them on overdue instalments as required under byelaw 25. It is therefore considered desirable to amend this byelaw so as to empower the Board to waive the recovery of interest at their discretion in deserving cases.

3. With regard to byelaw No.84 prescribing a quorum of 25 for the general meeting, in view of the great difficulty that was experienced at the recent general meeting to secure this quorum owing to most of the members being residents of distant moffusil stations and not in a position to undertake an expensive journey to Bangalore to attend the meeting, it is considered necessary to reduce the number to prevent the general meetings becoming abortive for want of quorum. ~~It is therefore proposed to fix the quorum.~~ It is therefore proposed to fix the quorum for the general meeting at 15 as in the Madras Central Land Mortgage Bank

4. The above mentioned proposals were discussed and approved

approved by the general body of members at the first annual general meeting of the Bank held on 1-3-1931. Vide paras 7 and 18 of the copy of the proceedings of the meeting herewith attached.

5. I request you will be so good as to obtain the approval of Government to the above proposals and to the consequential amendments of the Bank's byelaws as per annexed draft.

****

" Copy "

K H Ramayya

Registrar.

Existing Bye-Laws.

6. A person or registered society wishing to become a member of the Bank shall apply to the Secretary of the Bank in the prescribed application form for membership. The application shall be accompanied by an entrance fee of Re.one, a share fee of annas four (for each share applied for) and also, a sum not less than the first instalment of Rs.10 towards each share applied for.

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7. The application shall be considered by the Board of Directors of the Bank and if it thinks fit, the applicant may be admitted as a member of the Bank and allotted the full number of shares applied for or such smaller number as the Board may deem fit. The Board may reject any application for membership without assigning reasons. In the event of the application being rejected in full, the total amount paid by the applicant with the application will be refunded to him. If only a smaller number of shares than applied for is allotted, the proportionate share fee and share instalment shall be refunded or credited to his share account.

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8. Every person or registered society whose application for membership has been accepted by the Board of Directors shall be deemed to have become a member of the Bank and acquired all the rights and liabilities of a member from the date of such acceptance.

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Payment of Share money.

25. The members shall, subject to the provisions contained in bye-law 6, pay the amount of share or shares allotted to them either in one lumpsum or in monthly instalments of Rs.5 each for each share held and the same shall be paid on or before the 15th of the month for which the instalment is due. Default interest at the rate of two pies per rupee per month shall be levied on all overdue share instalments.

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26. If the share instalments remain unpaid for more than three months, the Board of Directors may declare such shares cancelled and payments made thereon, if any, forfeited and the rights of membership if any, attaching to these shares extinct. Such shares may, however, be renewed, if the Board of Directors permits, within a period of three months from the date of notice of forfeiture, on payment of all arrear amounts including interest and renewal free of one rupee per share.

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84. The quorum for a meeting of the General Body shall be 25 or one fourth of the total number of members on the list at the time, whichever is less.

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Proposals by Rev. Cs.

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time, whichever is less.

The members shall, subject to the provisions contained in Bylaw No 6 pay the full amount of share or shares allotted to them within one month from the date of receipt of intimation of allotment by them.
Provided however that the Board may grant extension of time for payment of instalments in deserving cases.

Recommended by the Pres. L.M. Bank.

Appeal by Secretary may be granted

The Mysore
Co-operative Land Mortgage Bank, Ltd.
Bangalore City

Proceedings of the First Annual General Meeting

MARCH 1931.

BANGALORE CITY
PRINTED AT THE INDIAN PRESS
1931

The Mysore
Co-operative Land Mortgage Bank, Ltd:

Proceedings of the First Annual General Meeting

1. The First Annual General Meeting of the Mysore Co-operative Land Mortgage Bank, Ltd. was held at 8-30 A. M. on the first March 1931 in the Bank's premises in Albert Victor Road, Chamarajpet, Bangalore City Besides the Directors and members of the Bank who attended the meeting, Rajamantrapravina Mr. K. Matthan, Member of Council, Mr. K. H. Ramayya, Registrar of Co-operative Societies in Mysore, and Mr. E. V. Ganapati Iyer, Deputy Registrar of Co-operative Societies were also present.

2. Rajasabhabhushana Mr. K. R. Srinivasiengar, President of the Bank, in welcoming the members to this, the first General Meeting of the Bank, made the following speech giving a short account of the origin of the Bank and its progress during the year:

PRESIDENT'S SPEECH

"On behalf of the Board of Directors of the Mysore Co-operative Land Mortgage Bank, I have great pleasure in according you a hearty welcome to this first ordinary general meeting of the members of the Bank and giving you a brief account of the history of the Bank and its working during the period of about one year from the date of its registration up to the end of December last.

2. Origin and History of the Bank

"The problem of agricultural indebtedness particularly in the Malnad had long been engaging the attention of Government. The Malnad Improvement Committee of 1925 having recommended the establishment of Land Mortgage Banks as the most promising means of relieving the indebtedness of the agriculturists and improving their economic conditions, the Government appointed in 1927 a mixed committee of officials and non-officials presided over by the First Member of Council to go fully into the question and submit detailed proposals; and on the report submitted by the Committee, they passed orders in April 1928 approving of the establishment of a Central Land Mortgage Bank for providing long term credit to agriculturists, with its operations extending in the first instance to one Taluk in each of the three Malnad Districts of the State and one Taluk in a Maidan District, namely, the Taluks of Sagar, Koppa, Saklespur and Tumkur. The share capital of the Bank was to be Rs. 5 lakhs and it was to be permitted to issue debentures up to Rs. 20 lakhs the Government guaranteeing interest on these debentures at a rate not exceeding 5 *per cent* and also agreeing to invest a sum of Rs. 5 lakhs in the debentures issued by the Bank. As it was considered desirable that the scheme should be brought under the control of the Registrar of Co-operative Societies, a whole time Deputy Registrar was appointed in 1929 for working out the preliminary details of the scheme and taking action for the establishment of the Bank; and necessary amendments to the Mysore Co-oper

Societies Regulation so as to bring the Land Mortgage Bank within its purview was made by Regulation No. V of 1929. In November 1929, Government passed a set of rules under the amended Co-operative Societies Regulation and nominated the first set of Directors for the Bank and notified their names; and the Bank was registered on 25th November 1929.

3. Board of Directors

"Of the members of the first Board who were nominated by Government for a period of two years, Dharmaprakasa Mr. B. Chandre Gowda of Chickmagalur and Mr. Bellur Dyavappa Gowda of Saklespur having vacated their seats owing to their inability to attend the Board meetings, they have been recently replaced by Messrs. Asagodu Venkate Gowda of Hosakoppa and Shop Sidde Gowda of Saklespur. The first meeting of the Board was held on 29th November 1929, four days after its registration; and 9 more meetings have been since held during the first year of the Bank's working. To expedite the disposal of loan applications and also other urgent and routine matters, a Sub-Committee consisting of the President and three other members of the Board was formed in May 1930. This Sub Committee met 8 times to transact business till the end of December 1930.

4. Membership and Share Capital

"The number of members on the rolls of the Bank and the shares held by them on 30th December 1930 in each of the Taluks covered by the Bank's ending operations and in places outside these Taluks vere as follows:

Taluk	No of members on the rolls	No. of shares held by members
Sagar	189	313
Koppa	78	153
Manjarabad	165	314
Tumkur	67	261
Other Taluks	80	200
Total	579	1,243

"The total amount of share subscriptions actually received in respect of these shares amounted to Rs. 32,126–8–0.

"His Highness the Maharaja has been graciously pleased to permit the embossing of His portrait on our share certificates. The certificates have been recently received from the press and are now ready for issue to the members.

5. Loans

"Applications for loans began to come in soon after the Bank's office was formed. But their disposal could not be taken up till the Valuators who had to be appointed with the approval of Government joined their posts and submitted the reports on the cases referred to them for investigation. The total number of applications received up to the end of December 1930 was 281 for a total amount of Rs. 7,12,062. Many of them being for small amounts had to be rejected summarily as our bye-laws do not permit of the grant of loans of less than Rs. 2,000 by the Bank otherwise

than through local Primary Land Mortgage Societies. Of the applications which were entertained and referred to the Valuators for investigation, 70 were rejected on account of the inadequacy of the security offered and 40 for an aggregate sum of Rs. 1,02,650 were sanctioned by the Board, leaving 34 pending in various stages at the end of December. Out of the total loan of Rs. 1,02,650 sanctioned by the Bank, the amount actually paid to the applicants till the end of December was Rs. 45,400. The balance of Rs. 57,250 will be paid on receipt of the necessary documents from the parties concerned. In this connection the Board desire to observe that in most cases the values of the properties offered as security were found to be grossly exaggerated with the result that the greatest care and caution had to be exercised in dealing with the applications and a great majority of them rejected on the result of investigations made by the Valuators.

6. Debentures

"The first series of debentures for the grant of loans to members was floated with the sanction of Government in April 1930 for a sum of Rs. 3 lakhs redeemable in 30 years, of which Rs. 1 lakh was contributed by Government. Though the principal of the debentures as well as interest thereon at 5 *per cent* free of income-tax was guaranteed by Government, there was very little demand for them from the public as the rate of interest was considered too low in comparison with the prevailing rates on similar securities. Out of the two lakhs thrown open to the public, the actual amount subscribed for and issued was only Rs. 1,32,700, of which Rs. 50,000

was contributed by the Kadur District Board, Rs. 25,000 by the Tumkur District Board and the balance by certain co-operative intitutions and philanthropic gentlemen interested in the success of the movement. His Highness The Yuvaraja Sir Sri Kantirava Narasimharaja Wadiyar Bahadur, who has been always ready to extend his patronage to every movement calculated to promote the well-being of the people of the State, was pleased to take up debentures to the value of Rs. 20,000. Our popular Dewan Amin-ul-Mulk Sir Mirza M. Ismail and Fakhrut-tujjar Khan Bahadur Haji Sir Ismail Sait also showed their sympathy with the movement by subscribing to the debentures. Among the co-operative institutions that subscribed liberally to the debentures, prominent mention deserves to be made of the Madras Central Urban Bank, Ltd., the Triplicane Urban Co-operative Society Ltd., and the Bangalore Central Co-operative Bank, Ltd. The Board take this opportunity of expressing their best thanks to these and other subscribers to the debentures for their sympathy and support.

7. The Bank's Location and Staff

"The Bank commenced work with a small establishment of a Secretary and one clerk besides menial staff. As the work expanded, the staff was increased from time to time; and it consists at present of a Secretary and four clerks, besides two Valuators of the grade of Deputy Amildars who are stationed at Tumkur and Sagar, respectively. Till recently the Bank was located in a rented building belonging to the Mysore Provincial Co-operative Apex Bank. With the expansion of work it was found to be inadequate for our purposes and

accordingly this nice and spacious building in which we are now assembled was purchased for the Bank with the approval of the Registrar for Rs. 8,500. This amount, as also the charges amounting to about Rs 300 incurred over some petty repairs to the building has been met from the share capital.

8. AUDIT OF ACCOUNTS

"The accounts of the Bank for the period ending 30th June 1930 were audited in detail by Mr. E. V. Ganapati Iyer, B. Sc., Deputy Registrar of Co-operative Societies and reviewed by the Registrar of Co-operative Societies. Copies of the Registrar's audit order have been already placed in your hands. As will be seen from the statements attached thereto, the total receipts during the period of about 7 months ending 30th June 1930, amounted to Rs. 40,473-4-9 and the expenditure to Rs. 5,662-5-6. The entire working expenses of the Bank having been met from the grant sanctioned by Government for the purpose, our receipts from all other sources remained intact. The Registrar has stated in his audit report that as the working expenses were borne by Government, no payment of dividends can be permitted during the period and he has suggested that the net income of Rs. 989-10-1 being the receipts from admission and share fees and interest earned on the Bank's balances may be carried to the Reserve Fund. This will be placed for your consideration and approval in due course to-day.

9. GOVERNMENT GRANT FOR BANK'S WORKING EXPENSES

"The working expenses of the Bank during the

current official year have been estimated by the Board at about Rs. 17,000. Even with the exercise of all possible economy our annual charges are not likely to fall much short of Rs. 15,000. The Government have been pleased to sanction a grant of Rs. 15,000 for the first year and only two-thirds of this amount i. e., Rs. 10,000 for the second year; and the Bank is evidently expected to meet all its expenses from its own profits from the third year. The only source of income to the Bank is the profit it can make over its loans. Considering that we may have to pay higher rate of interest on future debentures that may be raised by us and that the difference between the rate of interest payable by the Bank on its debentures and the rate charged by it on loans to its members will be only about one per cent, its loan transactions will have to extend to atleast Rs. 15 lakhs before it can hope to maintain itself from its own profits without the aid of a Government grant. For this the area of the Bank's operations may have to be enlarged and even then some years must elapse before such an extention of the Bank's transactions is effected. Untill then the Bank, if it is to work successfully, will have to depend on Government for a substantial portion of its annual charges. The Board propose therefore to address Government in the matter of continuing to meet the Bank's working expenses for some time longer, till the Bank is able to maintain itself unaided by Government.

10. Visit to Sister Institutions in Madras

"The Board of Directors having desired me to visit some of the Land Mortgage institutions in the

Madras Presidency with a view to study the rules and bye-laws as also the procedure and methods of work of these institutions as compared with those of our Bank and its affiliated societies, I visited the Central Co-operative Land Mortgage Bank at Madras and the Primary Land Mortgage Banks at Kulitalai in Trichinopoly District and Conjeevaram in Chinglepht District, and was able to collect a good deal of useful and valuable information which I have placed before the members of the Board as also the Registrar of Co-operative Societies and the Government. I desire to take this opportunity of publicly expressing my sincere thanks to the Presidents and Secretaries of these institutions for the facilities they kindly afforded me for obtaining all the information that I wanted about their working.

11. Conclusion

The agricultural population of the State cannot be sufficiently thankful to the Government of His Highness the Maharaja for having, in their solicitude for their welfare, introduced the scheme of the Land Mortgage Banks in the State to relieve them of their chronic indebtedness. By guaranteeing both the principal and the interest on the debentures issued by the Bank, they have enabled the Bank to obtain cheap money and advance it to the agriculturists at a rate which including the annual instalments towards principal works out at only about 9 per cent which is very much less than what the ryots have now to pay for interest alone on their debts. Besides guaranteeing the debentures, they have offered to invest a sum of

Rs. 5 lakhs in the debentures. To give the Bank a good and successful start they have agreed to meet the total working expenses of the Bank during the first year and a substantial portion thereof for the second year, and we are in hope that this help will be continued by them till the Bank is able to stand on its own feet. They have lent the services of their officers to the Bank for employment as Valuators. As I have already observed His Highness the Maharaja and His Highness the Yuvaraja have placed us under a deep debt of gratitude by extending their sympathy and support to the Bank. With the substantial help afforded by Government and the gracious patronage of Their Highnesses the Maharaja and the Yuvaraja, the Bank has started work under the best auspices and we may well have every hope and confidence that it will go steadily expanding and increasing in usefulness and that the time will not be far distant when its transactions will mount up to crores covering every part of the State.

"Before concluding, I wish on behalf of the Board to convey our thanks to the Registrar of Co-operative Societies Mr. K. H. Ramayya, for his whole-hearted and enthusiastic support to the Bank. I desire also to express our indebtedness to the previous Deputy Registrar Mr. M. S. Ramachandra Rao who was of great assistance to us in the initial stages of the Bank's working and helped considerably in securing subscribers for our debentures, and to the present Deputy Registrar Mr. E. V. Ganapati Iyer for his hearty co-operation with us.

"Finally, I have to express our sincere obligations

to Rajamantrapravina Mr. K. Matthan, for having found time in the midst of his multifarious duties to attend this meeting to-day. When I approached him a few days back with a request to honour us with his presence here to-day, he had already planned to go out somewhere else on other important work. But he nevertheless readily responded to my request, though it necessitated the modification of his previous programme and caused him considerable inconvenience. I have been frequently meeting him to discuss with him the Bank's affairs in his capacity as Member of Government in charge of the Co-operative portfolio and I have always found him ready to do everything possible to facilitate and promote the smooth and successful working of the institution. His presence here to-day is proof positive of his deep and abiding interest in the well-being and success of the Bank and I beg to offer once more our sincere thanks to him."

3. The speech over, the President invited the members to make any observations and suggestions they wished to offer on the working of the Bank.

4. Mr. H. Venkataramiah, Advocate and President of the Land Mortgage Society, Tumkur, explained the difficulties which had to be encountered by the Primary Land Mortgage Societies in meeting the intitial equipment and other charges before starting work and suggested that a suitable grant might be got sanctioned by Government to meet these charges out of the unexpended balance of the grant of Rs. 15,000 made to the Bank by Government for the first year. He also urged the need for reducing to

7 per cent the rate of interest on loans advanced by the Bank to the societies, so that they may have a margin of 1 per cent in respect of loans granted by them to their members.

The Deputy Registrar speaking from his experience of the working of the Primary Land Mortgage Societies supported Mr. Venkataramiah and strongly emphasised the need for making a suitable grant to the societies to meet the initial charges in order to enable them to make a satisfactory start. The President said that the matter had been discussed at the Board's meeting the previous day and that the Board had resolved to make the necessary recommendation to Government in this respect, and he hoped that the proposal would meet with the approval of the Registrar and the Government. With regard to Mr. Venkataramiah's proposal for reduction of interest on the Bank's loans to societies the President informed him that the Board had approved of the reduction at their meeting the previous day.

5. Mr. Tudki Ramanna Gowda then suggested that as the Bank's Valuators had not sufficient work to do in the Taluks allotted to them, the area of the Bank's operations might be enlarged to enable them to have sufficient work. The President said that this had also been discussed at the Board meeting the previous day and that necessary action would be taken to move Government in the matter.

6. Mr. Gurusantaiya, President of the Yeslur Land Mortgage Society, in referring to the proposal to have the Yeslur Society amalgamated with the one at Saklespur, explained the advantages of having a

separate society at Yeslur which was at a great distance from Saklespur and stated that the society had already enlisted 35 members and was in hopes of enlisting 50 more very early, and that it would be a great inconvenience and disappointment to them if the society were to be abolished and amalgamated with the Saklespur society. The President replied that with a view to enable the societies to have sufficient scope for operations and to secure the services of the right kind of persons to look after their management, it was proposed to have ordinarily not more than two societies for a Taluk, that with regard to the Yeslur society, in in view of the representations made by the members, the question of amalgamating it with that of Saklespur society would be deferred for the present and that he hoped that the society would by its good management and the extent of business done by it justify its separate existence and would not give cause for its abolition at any time. In this connection, the President stated that most of the loan applications from the Saklespur Taluk were from owners of coffee estates and referred to the difficulties and dangers in the way of advancing loans on the security of coffee lands. Mr. Gurusantaiya and the other members present expressed general agreement with the observations of the President.

7. Mr. K. Narasinga Rao, Secretary of the Nagavalli Land Mortgage Society, requested that more time might be allowed for recovering share instalments from members.

The president stated that in view of the great difficulty experienced by the Bank in the recovery of

share instalments regularly from its members, he proposed that the bye-laws of both the Central Bank as well as the Primary societies might be revised so as to provide for the recovery of share amounts in one lump on allotment, as is being done in similar institutions in Madras, and that to facilitate such recovery the value of shares in primary societies might also be reduced from Rs. 50 to Rs. 10 per share. After some discussion, the proposal was agreed to by the members. With regard to the shares already issued by the Bank which were payable under the instalment system, the President proposed for reasons explained by him, the amendment of the bye-laws so as to make recovery of interest on overdue instalments optional instead of obligatory; and this was also agreed to by all the members present.

8. Mr. H. Venkataramiah suggested that when shares transferred by the Bank from individuals to the primary societies have to be forfeited owing to the default in the payment of the share amounts, half the paid up amounts which are forfeited by the Bank may be made over to the societies. The President observed that if Mr. Venkataramiah would send up a communication from his society in the matter, it would be duly considered by the Board of Directors.

9. Mr. H. Venkataramiah observed that most of the persons who joined the societies as members had generally done so with the object of getting loans from them and that unless the pending loan applications were promptly disposed of and a sufficient percentage of the applicants were granted loans, it would not be easy

for the societies to induce the defaultees to pay their share instalments regularly. The President replied that it had been recently decided to revise in certain respects the present procedure for the investigation of loan applications of primary societies and that under the revised procedure, he expected all the pending applications to be disposed of early.

10. Mr. Hebbur Ramanna brought to notice that a good number of persons in his village had taken up shares in the Bank in the hope of having a society formed in Hebbur and obtaining loans from it and that they felt greatly disappointed and disheartened by the frustration of their hopes. The President observed that it was not possible to form a society at Hebbur as one had been formed at Nagavalli only 2 miles off, but that he would see that all applications for loans from the Hebbur members of the Bank were attended to and disposed of without delay though he cannot give an asssurance that every one who applied for a loan would get it, as it depended upon the merits and circumstances of each case.

11. Mr.M. A. Gopalaswamy Iyengar suggested that the Bank might issue 2 kinds of shares namely, preference and ordinary shares, the preference shares carying a higher rate of dividend and being issued only to persons not intending to borrow and the ordinary ones to persons applyng for loans ; and that in the case of the latter class of members if any member's loan application were rejected, the share amount paid by him might be refunded. The president replied that the uggestion could not be adopted as the maximum

amount of dividend payable to the members under the Regulation itself was only 5 per cent and as it was not possible (as leading to very undesirable results) to refund the share amounts of the members whose loan applications are not sanctioned.

12. Mr. M. A. Gopalaswamy Iyengar enquired with reference to bye-law 81, whether any action and if so what had been taken for the appointment of the Board of Supervision at the end of 2 years.

The president said that matter would no doubt receive attention of Government in due course.

13. Mr. M. A. Gopalaswamy Iyengar observed that the balance sheet of the Bank had not been audited by a certified auditor as required by the bye-laws and also that it had been prepared and published for a period of only six months though the Bank had worked for more than one year.

The president said that as the Bank had conducted no loan transactions during the period and as, in the circumstances it was considered unnecessary to incur extra audit charges, the accounts were got audited by the Deputy Registrar of Co-operative Societies with the approval of the Registrar of Co-operative Societies. He also stated that the balance sheet published was for the first official year of the Bank which has to end with the close of June in each year.

14. At the request of Mr. M. A. Gopalaswamy Iyengar, the president read the Budget estimate of the Bank for the year 1930-31 approved by Government and explained that the salaries and allowances of the Valuators formed the biggest item of charges. He said

that under the existing arrangement, the Government grant towards the working expenses of the Bank would cease at the end of the second year, and that as it was impossible for the Bank to carry on without Government help for some time more, it had been decided by the Board to request Government to continue their grant for some years to come till the Bank was in a position to stand on its own feet and meet its expenses fully from its own receipts.

15. The subjects on the agenda of the meeting were then taken up.

The statement of receipts and expenditure and the balance sheet for the period ending June 1930 were read and recorded.

16. The Audit order of the Registrar of Co-operative Soceities on the Audit report of the Deputy Registrar of Co-operative Soceities was read and recorded; and it was resolved that out of the net receipts of the year amounting to Rs. 900 and odd, a sum of Rs 600 be credited to the reserve fund and the balance carried forward to the accounts of the current year.

17. The original bye-laws of the Bank as also the subsequent amendments thereto sanctioned by Government were then read and recorded.

Mr. M. A. Gopalaswamy Iyengar observed that the amendment sanctioned by the Government to the original bye-laws were not in order as they required the previous approval of the general body. The president stated that the Bank being still in its initial and tentative stage, it was necessary to allow some latitude to the Directors and the Government to make

suitable alterations in the bye-laws from time to time in the light of experience gained in the course of the working of the Bank without necessitating the convening of a general meeting every time that an amendment was found urgently called for. Mr. S. Venkatakrishnaiya suggested that objection raised by Mr. M. A. Gopalaswamy Iyengar, might be got over by the general body giving their approval to the amendments till now sanctioned by Government. This was agreed to by Mr. M. A. Goplaswamy Iyengar and it was accordingly resolved that the original bye-laws and the amendmends thereof sanctioned by Government up to date be approved.

18. The president proposed that in view of the difficulty of securing the quorum of 25 prescribed for the general meeting in bye-law 84, the quorm for the meeting might be fixed at 10. Mr. M. A Gopalaswamy Iyengar proposed as an amendment that instead of 10, the quorum might be fixed at 15, so that it might not be less than the number of Directors. After some discussion, it was resolved that the the quorum for the general meeting be fixed at 15.

19. Mr. K. H. Ramayya, the Registrar of Co-operative Socities, then addressing the members present explained the aims and objects of the Land Mortgage Bank scheme, and stated that as in the case of the Apex Bank, the Land Mortgage Bank was also intended ultimately to issue loans only through primary societies and not direct to individual members. He stressed the need for the Bank to take all possible precautions in the issue of loans to guard against loss and stated that if only the

individual applicants for lones as also the office bearers of the primary societies were to realise their responsibility the percentage of rejections of applications by the Bank would be comparatively very small instead of amounting to nearly 80 per cent as at present. He said that while all reasonable latitude might be allowed by the Bank to those who had already taken shares but made default in the payment of the share instalments the primary societies should take all possible action for the prompt recovery of the instalments in respect of shares transferred to them so that there might be no occasion whatever for forfeiture of the shares, as it was an extreme measure not in keeping with the spirit of the co-operative movement. He referred to the sympathetic attitude of the Bank towards the societies as evidenced by their decision to lower the rate on loan advanced by it to them from 7½ to 7 per cent, and also to help them to obtain a suitable grant to meet the initial equipment and other charges. He emphasised the necessity for a certain amount of flexibility in the bye-laws of the Bank and in the enforcement thereof during the first one or two years and observed that on a perusal of the President's notes giving the results of his visit to some of the Land Mortgage institutions in the Madras Presidency, he himself had to revise some of his ideas and agree to some material modifications in our procedure as well as in the Rules and bye-laws of the Bank and the societies. Finally he observed that the President of the Bank was working in close co-operation with him to ensure the smooth and successful working of the Bank and the societies and

that he had every confidence that the scheme would bring increased happiness and prosperity to the poor indebted and suffering millions of ryot population of the State.

The President in bringing the proceedings to a close thanked the members for having given him a calm and patient hearing and observed that it was only with the hearty co-operation of one and all that the success of the movement could be achieved.

The meeting then terminated at 11-45 A. M.

K. R. SRINIVASIENGAR,
President

Balance Sheet for the period ending 30th June 1930

LIABILITIES		Rs.	as.	ps.
Subscribed Share Capital	..	**48,250**	**0**	**0**
Paid up share capital	...	20,582	8	0
Debenture Subscription	...	7,500	0	0
Suspense Account	...	3,903	2	8
Fees, default interest, etc.	...	922	12	1
Balance out of Government grant	...	1,837	10	6
Furniture Account	...	1,238	15	9
Library Account	...	66	2	6
TOTAL Rs.		36,051	3	6

ASSETS		Rs.	as.	ps.
Cash on hand and in banks, in Current Deposit	...	12,166	1	3
Fixed Deposit in Bank of Mysore	...	15,000	0	0
With Trustee	...	7,500	0	0
Furniture	...	1,238	15	9
Library	...	66	2	6
Imprest with Valuators	...	20	0	0
Advances recoverable	...	60	0	0
TOTAL Rs.		36,051	3	6

Statement of Receipts & Expenditure of the Mysore Co

For the period end

RECEIPTS

PARTICULARS		Rs.	as.	ps.
Admission Fees	...	660	0	0
Share Fees	...	241	4	0
Share Amount	...	20,582	8	0
Share default interest	...	11	5	4
Suspense	...	4,391	10	10
Government grant	...	7,500	0	0
Debenture Subscriptions	...	7,500	0	0
Miscellaneous	...	10	2	9
WITHDRAWALS FROM THE APEX BANK:				
i Secretary's Account	...	359	4	0
ii President's Account	...	1,409	8	0
Withdrawals from Mysore Bank (H.O.)	...	27,575	0	3
TOTAL Rs.		70,240	11	2

perative Land Mortgage Bank Ltd., Bangalore City

30th June 1930

EXPENDITURE

PARTICULARS		Rs.	as.	ps.
Directors' T. A. & Sitting Fees	...	1,059	4	0
Valuators' salaries	..	432	6	3
,, Travelling Allowance	...	117	14	0
Office Establishment	...	1,258	2	5
Printing & Stationary	...	408	0	9
House-rent	...	501	0	4
Library	...	66	2	6
Reading Room	...	35	9	6
Suspense	...	488	8	2
Furniture	...	1,238	15	9
Advertisement	...	364	8	0
Postages	...	128	0	6
Petty Items	...	12	5	6
Imprest to Valuators	...	20	0	0
Advance for Printing	...	60	0	0
Trustee	...	7,500	0	0
Fixed Deposit in Mysore Bank	...	15,000	0	0
CURRENT DEPOSIT IN APEX BANK:				
i President's Account	...	5,734	11	2
i Secretary's Account	...	364	4	0
Bank of Mysore, Current (H.O.) a/c	...	34,960	4	4
Bank of Mysore, Tumkur	...	200	0	0
Bank of Mysore, Sagar	...	200	0	0
Cash Balance	...	0	10	0
TOTAL RS.		70,240	11	2

DEPARTMENT OF CO-OPERATION

OFFICE OF
THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE

Dated, Bangalore, October 1930.

Reference :

Letter No. 363 CS. dated 25th September 1930 from the Deputy Registrar of Co-operative Societies forwarding a copy of his report on the audit of accounts of the Mysore Co-operative Land Mortgage Bank, Ltd, for the period ending with 30th June 1930.

AUDIT ORDER

The accounts of the Mysore Co-operative Land Mortgage Bank Ltd., for the period ending with 30th June 1930 as audited by the Deputy Registrar of Co-operative Societies are passed. The Bank's attention is invited to the points noticed during audit and the suggestions made by the Deputy Registrar and it is requested to take necessary action on them as early as possible.

The Bank was registered in November 1929 and has gathered a large membership consisting of 644 individuals and 16 societies during the period in question. As no local Land Mortgage Societies had been started, there were no affiliated societies. Rs. 20,582 was the share capital paid up by members. The Bank issued a debenture loan at 5% for raising three lakhs of rupees towards the close of the year and a sum of Rs. 7,500 was collected and held with the Trustee by the end of June 1930. No loans were issued by the Bank during the period. In view of this fact and also of Government having undertaken as per G. O. No. G. 6941-4/L. M. 14 29-1 dated 4th December 1929, to meet the working expenses of the Bank during the first and second years up to a maximum of Rs. 15,000 and Rs. 10,000 respectively, no dividend is permitted to be paid on the share capital for the period under audit and the net income of the Bank by way of entrance and share fees, interest received from Banks and default interest on shares amounting in all to Rs. 989-10-1 shall be carried to Reserve Fund. Out of the Government grant of Rs. 7,500 for working expenses, a sum of Rs. 5,662-5-6 was spent, leaving a balance of Rs. 1,837-10-6.

The Bank held during the period six meetings of the Board of Directors and four meetings of the Sub-Committee.

K. H. RAMAYYA,

Registrar, Co-operative Societies in Mysore.

BOARD OF DIRECTORS

President : RAJASABHABHUSHANA
MR. K. R. SRINIVASIENGAR, M. A.

Directors :

1. THE REVENUE COMMISSIONER IN MYSORE.
2. MR. S. VENKATAKRISHNAIYA, B. A., B. L., *Bangalore.*
3. „ B. KEMPANNA, *Bangalore.*
4. „ M. HARIYANNA, *Bangalore.*
5. „ S. SAJJAN RAO, *Bangalore.*
6. „ FAKHAR-UL-HUKUMA
   DR. B. MAHOMED USMON *Mysore.*
7. „ H. VENKATARAMAIYA, B. A., B. L., *Tumkur.*
8. „ V. R. CHIKKACHENNANJAPPA SETTY, *Kolar.*
9. „ B. RAMA RAO BAPAT, *Sagar.*
10. „ TUDKI RAMANNA GOWDA, *Tirthahalli*
11. „ A. V. SURYANARAYANA SETTY, *Arkalgud.*
12. „ SYLVESTER PAIS, B. A., *Koppa Taluk.*
13. „ ASAGODU VENKATE GOWDA, *Koppa.*
14. „ SHOP SIDDE GOWDA, *Saklespur.*

Trustee :

THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

G.R.S. App. F VI G-2]

SUBJECT 7

..... abd .....

....

Diary No. of letter replied to.....

Sec LM

File No. 2-3

Serial No. 2

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 21/7/37

Signed by Mr C S Narasimha

Read—

Letr No 7017 G dt 20/6/37 from the Regr Co submitting for approval amendments to Bye laws No 6, 7, 8, 25, 26, 84 of the L. M. Bank.

May this be

(i) Printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Order Thereon No. D 453-5

Under Sec 5-3 of the Mysore Cooperative Societies Regn VII of 1918 as Amended by Regn V of 1929 Govt are pleased to approve the following Amended Sections of Bye laws 6, 7, 8, 25, 26, 84 of

re L. M. Bank, Wrich

~~is amended would read~~

~~as follow:~~ —

Byl Law 6

D

Re Dlw Secs

Mr Rey. S.

Mr Rev. Co

Mr Prof. L. M Bank

List of enclosure

Copied by

Examined by

WD 2800 —GTB.—11,200—2-7-30

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

Amendments to Bye laws of the L.M. Bank. Sanctions —

~~No. 7, 81-25, 4484.~~

G. O. No. D 453-5/Lx 2- ... DATED 21-7-31

May this be

printed ?

ii. treated as a standing order ?

published in the Gazette, English Part ?

translated ?

placed at the disposal of the press ?

published in the Gazette, Kannada Part ? Yes

Dy. Secretary

K.A.

24.7

Secy
24/7

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 453-5—L. M. 2-31-2, dated 20th—21st July 1931.

Amendments to certain Bye-laws of the Land Mortgage Bank

Sanctions

READ—

Letter [illegible] from the Registrar of Co-operative Societies, Mysore, submitting for approval amendments to Bye-laws Nos. 6, 7, 8, 25, 26, 84 of the Land Mortgage Bank.—

ORDER No. D. 453-5—L. M. 2-31-2, DATED 20TH—21ST JULY 1931.

Under Section 53 of the Mysore Co-operative Societies Regulation VII of 1918 as amended by the Regulation V of 1929, Government are pleased to approve the following amended Bye-laws 6, 7, 8, 25, 26 and 84 of the Land Mortgage Bank:—

Bye-law 6.

A person or registered society wishing to become a member of the Bank shall apply to the Secretary of the Bank in the prescribed application form for membership. The application shall be accompanied by an entrance fee of rupee one, and also a share fee of annas four and initial deposit of less than Rs. 10 for each share required.

Bye-law 7

The application shall be considered by the Board of Directors of the Bank and if it thinks fit, the applicant may be admitted as a member of the Bank and allotted the full number of shares applied for or such smaller number as the Board may deem fit. The Board may reject any application for membership without assigning reasons. In the event of the application being rejected in full, the total amount paid by the applicant with the application will be refunded to him. If only a smaller number of shares than applied for is allotted, the proportionate share fee and deposit shall be refunded or credited to his share account.

Bye-law 8.

Every person or registered society whose application for membership has been accepted by the Board of Directors shall be deemed to have become a member of the Bank and acquired all the rights and liabilities of a member (only after he shall have paid the full value of one or more shares to the Bank.)

PAYMENT OF SHARE MONEY.

The members shall, subject to the provisions contained in bye-law 6, pay the full amount of the share or shares allotted to them within one month from the date of receipt of intimation of allotment by them.

Provided however, that in the case of shares allotted prior to 1st July 1931, the share amounts shall be paid either in one lumpsum or in monthly instalments fixed by the Bank at the time of allotment, default interest being leviable, at the discretion of the Board, at two pies per rupee or fraction of a rupee per month or part of a month on the amount overdue, up to the date of payment.

Bye-law 26.

If the share amounts are not paid in the time prescribed, the Board of Directors may cancel the allotment made and declare the initial deposit and other payments made therefor forfeited. The allotments may however be renewed if the entire amount due is paid up within a period of three months from the date of forfeiture, along with interest at two pies per rupee per month or part of a month up to date of payment, and renewal fee of one rupee per share.

ORDER NO. D. 453-5—L. M: 2-31-2, DATED 20TH—21ST JULY 1931.

Bye-law 84.

The quorum for a meeting of the General Body shall be 15 or one-fourth of the total number of members on the list at the time, whichever is less.

D. SRINIVASA IYENGAR,
Secretary to Government,
Development Department.

To—The Registrar of Co-operative Societies in Mysore.
The Revenue Commissioner in Mysore.
The President, Land Mortgage Bank.

Exd.—C. K.

WD 294—GPB—325—6-8-31